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Statement of

Katharine G. Abraham  
Commissioner  
Bureau of Labor Statistics

Friday, August 4, 2000

Good morning. I am pleased to have this opportunity to comment on the employment and unemployment estimates that the Bureau of Labor Statistics released this morning.

The unemployment rate was unchanged in July at 4.0 percent. Total payroll employment declined by 108,000, as a large decrease in the number of temporary workers employed by the federal government for Census 2000 more than offset job growth in the private sector. The number of payroll jobs in private industries increased by 138,000 in July, somewhat below the average monthly pace of job growth in the first half of this year (182,000).

In the goods-producing sector of the economy, the number of construction jobs edged up by 6,000 in July. So

far this year, employment gains in construction have averaged 17,000 per month, compared with an average of 25,000 per month for all of 1999.

In July, the number of factory jobs rose by 46,000, after seasonal adjustment. In several manufacturing industries, the seasonal employment declines that typically occur in July were smaller than usual this year. These included industrial machinery, furniture, and rubber and plastics. As a result, all these industries posted over-the-month increases in employment, after seasonal adjustment. Electronic components also added jobs, continuing its recent growth trend. The manufacturing workweek edged up by 0.1 hour to 41.7 hours, and factory overtime, at 4.6 hours, was unchanged in July.

The number of jobs in the services industry was essentially unchanged over the month. So far this year, employment growth in services has averaged 97,000 per month, compared to an average monthly increase of 124,000 for all of 1999. Employment fell in the job training component of social services and in membership organizations. Job losses also occurred in personnel supply services; in the first 7 months of this year, monthly employment growth in this industry averaged 16,000, roughly half the average monthly gain for all of 1999. Offsetting these over-the-month

losses were noteworthy employment gains in health services, computer and data processing services, amusement and recreation services, and hotels.

Retail employment rose by 49,000 in July, its second consecutive month of above-average job growth. A large employment increase in eating and drinking places was partly offset by a job loss in department stores. Since reaching its peak in April 1999, employment in department stores has fallen by 88,000.

In transportation and public utilities, employment rose by 20,000, largely due to growth in trucking and warehousing and in passenger transit. The number of jobs in wholesale trade rose by 10,000 in July, with nearly all of the increase concentrated in its durable goods component.

In finance, employment gains continued in security and commodity brokerages where, over the past year, 58,000 jobs have been added. This contrasts sharply with mortgage banks and brokerages, which lost 43,000 jobs over the past 12 months, although employment in this industry was largely unchanged in July. Employment in real estate was little changed over the month, and the job count in insurance was unchanged.

Federal government employment fell by 285,000 in July, as the number of temporary Census workers declined by

290,000. As of July, temporary Census employment was down by 428,000 from a peak of 618,000 in May.

Average hourly earnings of private production or nonsupervisory workers rose by 6 cents in July. Over the year, average hourly earnings have risen by 3.7 percent.

Turning now to the data from our survey of households, the unemployment rate was unchanged in July at 4.0 percent, and has been within the 3.9- to 4.1-percent band since October 1999. The rate for teenagers increased to 13.4 percent in July, while the rates for adult men (3.2 percent), adult women (3.7 percent), whites (3.5 percent), blacks (7.7 percent), and Hispanics (5.6 percent) showed little or no change over the month.

Total civilian employment declined in July, by 430,000, and the employment-population ratio fell to 64.2 percent, the same as a year earlier. It had peaked at 64.9 percent in April.

In summary, moderate payroll employment growth in the private sector was more than offset by a large over-the-month decline in temporary Census employment. The unemployment rate was unchanged at 4.0 percent.

My colleagues and I now would be glad to answer your questions.